

**RFP-5-70**  
**SECTION ONE**  
**GENERAL INFORMATION AND REQUESTED PRODUCTS/SERVICES**

**1.1 INTRODUCTION**

The Indiana Department of Administration (IDOA), acting on behalf of State Personnel Department (SPD), requires the services of a third party administrator (TPA) for the State of Indiana's self-funded Worker's Compensation and Disability plans. It is the intent of IDOA to solicit responses to this Request for Proposals (RFP) in accordance with the statement of work, proposal preparation section, and specifications contained in this document.

**1.2 DEFINITIONS AND ABBREVIATIONS**

Following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in the RFP, but they are more localized and defined where they appear, rather than in the following list.

Eligible Employee For Disability Plan	A full-time employee of the State of Indiana with six months of continuous full-time employment.
Eligible Employee For Tort Disability	Any employee of the State of Indiana who, in the scope of State employment, is disabled by injuries resulting from the tortuous act of another person, as distinguished from passive negligence.
IAC	The Indiana Administrative Code
IC	The Indiana Code
Implementation	The successful installation of the plan to the point of full use/operation as specified in the contract resulting from this RFP.
Installation	The delivery and physical setup of products or services requested in this RFP.
Joint Bid	When more than one company submits a proposal in order to be contracted in the RFP process. (The State does not allow joint bids).
Products Proposal	Tangible goods or manufactured items as specified in this RFP. An offer as defined in IC 5-22-2-17.
Respondent	An offeror as defined in IC 5-22-2-18.
Services	Work to be performed as specified in this RFP.

State agency	<p>As defined in IC 4-13-16.5-1</p> <ul style="list-style-type: none"> <li>A) An authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative department of state government.</li> <li>B) An entity established by the general assembly as a body corporate and politic.</li> <li>C) A state educational institution.</li> </ul> <ul style="list-style-type: none"> <li>• Attachment D is a current State Agency listing.</li> </ul>
TPA	Third Party Administrator
Vendor	Any successful respondent selected as a result of the procurement process to deliver the products and services requested by this RFP.

### 1.3 PURPOSE OF THE RFP

The Corporation(s) shall provide third party administrative services to the State as defined below herein:

#### 1.3.1 Worker's Compensation

Administration of all claims, originating within the period of the contract, filed under the State's Worker's Compensation Plan to include, but not limited to:

- A) System start-up procedures
- B) Processing payments to employees and providers
- C) Investigation, including on-site, for:
  - 1. compensability
  - 2. fraudulent activity
  - 3. third-party subrogation
- D) Activity checks
- E) Return-to-work procedures and case management performed by the adjuster
- F) Claim status reports
- G) Representation at worker's compensation hearings
- H) Loss reports/risk information systems capabilities including ad hoc reporting
- I) Storage of closed claims for a minimum of two (2) years from the date of closure

The services must also include the preparation of and attendance at periodic claims reviews as well as any other necessary meetings between the respondent, its subcontractors and the State of Indiana.

In addition to administration, other services will also be required of the

vendor selected. These would include, but are not limited to:

- A) Preferred provider organization network covering the entire state (see Attachment E for an employee zip code directory).
- B) Utilization review including hospitalization, concurrent review and diagnostic testing pre-certification
- C) Medical bill review
- D) Coordination of medical payments with the State of Indiana's self-funded medical plan and HMO's.
- E) Coordination of legal representation
- F) Vocational/rehabilitation professionals
- G) Case management professionals
- H) Training assistance for State employees

### 1.3.2 Disability

Administration of all claims, originating within the period of the contract, filed under the State's Disability Plan to include, but not limited to:

- A) System start-up procedures
- B) Processing bi-weekly payments to recipients through the State Auditor's Office.
- C) Disability status investigation, including on-site, for:
  - 1. compensability
  - 2. fraudulent activity
  - 3. third-party subrogation
- D) Activity checks
- E) Case management for return to work and partial disability placement
- F) Claim status reports
- G) Loss reports
- H) Representation at State Employees Appeals Commission and Grievance Hearings
- I) Age and impairment limitation notice to recipients
- J) Other income/employment reporting
- K) Mail Federal wage and tax forms to recipients (W2s)
- L) Assurance of Social Security Disability Application and assistance in pursuit
- M) Independent Medical Examination network
- N) Verification of and offset of income received from other sources
- O) Partial disability placements
- P) Provider payment, when necessary, for independent examinations and services related thereto
- Q) Recommendation of claim reserve levels
- R) Eligibility reporting and contribution payment to State sponsored benefit programs including, but not limited to:

1. processing open enrollment by mailing communications, handling payroll authorization forms, initiating premium changes
  2. preparing paperwork to report qualifying events and initiate appropriate benefit changes
- S) Coordination, with agency, of appropriate compensation for employees augmenting disability with accrued leave as well as return-to-work status
- T) Ad hoc reporting
- U) Closed claim storage

The services must also include the preparation of and attendance at periodic claims reviews as well as any other necessary meetings between the respondent, its subcontractors and the State of Indiana.

These services could apply to the conversion of current cases to the new system. In addition to administration, other services will also be required of the vendor selected. These would include, but are not limited to:

- A) Coordination of legal representation
- B) Vocational rehabilitation services
- C) Training assistance for State employees

### 1.3.3 Worker's Compensation and Disability

For those claims which will be filed under both the Worker's Compensation and Disability Plans, the coordination of services, including check issuance, should be addressed by the respondent. These involve lost time claims and would include the following:

- A) Tortious injuries, in which the employee was injured by the act of another person. The employee would receive 100% of his/her average weekly wage, 66 2/3% from worker's compensation (up to the statutory weekly maximum) and 33 1/3% from disability (after the 7-day elimination period).
- B) Non-tortious injuries, in which an employee's wage replacement from worker's compensation is less than the employee's salary continuation under the Disability Plan, due to the maximum for the State of Indiana. The employee would receive the difference, up to the maximum allowed under the Disability Plan (after the 30-day elimination period).

The following services will be expected for those claims filed under both Plans:

- A) Processing payments to those employees, and their providers, who are receiving wage replacement from both Plans. More weight will be given to the responses which indicate the ability to issue one check for both disability and worker's compensation wage replacement.

- B) Modified duty Placement, known as Partial Disability in the Disability Plan, for employees who have been given temporary or permanent restrictions. The TPA will be responsible for coordination of this process with the Benefits Division of State Personnel, the employee, and the appropriate agency. It should be assumed that the TPA's staff will identify possible candidates for these placements and determine the employee's ability to return to work as well as any restrictions that may exist.
- C) Coordination and communication of all claim activity directly with the various agencies.
- D) Coordination of the Plans' wage loss payments and any accrued leave used by an employee to augment these payments.
- E) Coordination of medical payments with the State of Indiana's Self-Funded Medical plan and HMOs.
- F) Storage of closed claims for a minimum of two (2) years from the date of closure.

It should be assumed that the overall administration of these claims would be handled by worker's compensation. However, it is possible that, for tortuous injuries, worker's compensation benefits could end and the Disability plan would assume administration of the claim.

#### 1.3.4 Other Services

The State Personnel Department will serve as the oversight agency and will be responsible for ensuring the quality of the vendor's performance. As such, the vendor will work closely with SPD on problem resolution, plan reporting, projecting plan costs, etc.

#### 1.3.5 Administration

The State of Indiana's preference is for one TPA to administer both Plans and more weight will be given to those responses reflecting this ability.

The State's second preference would be to have one "lead" vendor subcontract with a second vendor to provide the required services of both Plans. The two TPAs should have an established relationship. Their experience in coordination of services should be reflected in their response.

#### 1.3.6 Proposed Installation/Implementation

A plan for implementing the services, including the individual steps required and the estimated time for each step should be provided in the Technical Proposal.

### 1.3.7 Training

Training will be the responsibility of the vendor in conjunction with the State Personnel Department. This training will be conducted at various regional sites. The successful respondent will provide trainers as well as training material. The training material will include:

- A) Administrative and procedural manuals
- B) Instructional handouts for employees
- C) Posters
- D) Informational brochures for State employees

In addition, the successful respondent will assist in briefing relevant groups, (i.e. executive staff and agency heads), concerning program implementation and operation.

Ongoing awareness and communication of this program is the responsibility of the successful respondent, in conjunction with the State Personnel Department. This includes producing and distributing two (2) payroll stuffers a year regarding the Worker's Compensation and Disability Plans, conducting quarterly on-site training seminars highlighting workplace safety and the overall administration of the Plans, and writing/updating administrative and procedural manuals outlining the State's plan.

The initial, one-time training expenses should be amortized over the life of the contract (see Section 2.3.7.4 for more details).

## 1.4 SCOPE OF THE RFP

This document contains the following information that may be useful to anyone wishing to submit a proposal:

Section One -- A description of many factors affecting the proposal process and procedures.

Section Two -- A description of the required format and subject content of any acceptable proposals offered in response to this document.

Section Three -- A general discussion of the method that will be used by an evaluation team in selecting a respondent to recommend to State officials with whom to enter contract negotiations.

Attachments -- Details supporting this basic RFP document.

## 1.5 ISSUING OFFICE

In accordance with Indiana statute, IDOA has issued this RFP on behalf of SPD. The content has been prepared by the staff of SPD and others. This RFP is being posted to the

State of Indiana website (<http://www.in.gov/idoa/proc>) for downloading. A nominal fee will be charged for providing hard copies.

## 1.6 DUE DATE FOR PROPOSALS AND QUESTIONS

*NOTE: Indianapolis and most of Indiana remains on Eastern Standard Time year round. When the nation is on Standard time, Indianapolis observes Eastern Standard Time, and is on the same time as New York City. When most of the nation is observing Daylight Savings Time, Indianapolis observes Eastern Standard Time (which is the same as Central Daylight Time) and is on the same time as Chicago.*

All proposals must be received at the address below by the Procurement Division no later than **3 p.m. Eastern Standard Time on February 21, 2005**. Each respondent must submit one original (marked "Original") and ten (10) complete copies of the proposal, including the transmittal letter and other related documentation as required in this RFP. A complete copy of the proposal must be provided on a 3 ½" diskette and/or on CD-ROM size 700. No more than one proposal per respondent should be submitted. Each copy of the proposal must follow the format indicated in Section Two of this document. Unnecessarily elaborate brochures or other presentations, beyond that sufficient to present a complete and effective proposal, are not desired. All proposals must be addressed to:

James Osborne  
Procurement Division  
Indiana Department of Administration  
402 West Washington Street, W468  
Indianapolis, IN 46204

All proposal packages must be clearly marked with the RFP number, due date, and time due. Any proposal received by the Procurement Division after the due date and time will not be considered. Any late proposals will be returned, unopened, to the respondent upon request. All rejected proposals not claimed within 30 days of the proposal due date will be destroyed.

No more than one proposal per respondent should be submitted.

The State of Indiana accepts no obligations for costs incurred by respondents in anticipation of being awarded a contract.

**All proposals submitted to the State should be double-sided and printed on 30% post-consumer recycled content paper or tree-free paper. When possible, soy ink should be used.**

**Caution to respondents about shipping/mailing:** United States Postal Express and Certified Mail are both delivered to the Government Center Central Mailroom and not directly to the designated department. It is the responsibility of the respondent to make sure that solicitation responses are received by the Procurement Division on or before the

designated time and date. Late submissions will not be accepted. The IDOA Procurement clock is the official time for all solicitation submissions.

### Questions/Inquiries

All questions regarding this RFP must be submitted in writing to the above address no later than **3 p.m. Eastern Standard Time on January 31, 2005**. Inquiries may also be submitted via fax **(317-234-1281)** or email [rfp@idoa.state.in.us](mailto:rfp@idoa.state.in.us) and must be received by IDOA Procurement by the time and date indicated above. Questions submitted after 3 p.m. may not be considered.

Following the question due date, IDOA personnel will assemble a list of the compiled questions asked by all respondents. The responses will be posted to the IDOA website approximately one week after the question due date listed in the RFP timetable, Section 1.26. The Question and Answer link will not become active until IDOA has provided responses to all questions. IDOA reserves the right to judge whether any questions should be answered in writing, and copies will be placed on the Procurement page on the State's web site for downloading. Only answers signed by the Director of the Procurement Division or designee or posted on the State's web site will be considered official and valid by the State. No negotiations, decisions, or actions shall be initiated by any respondent as a result of any verbal discussion with any State employee.

Inquiries are not to be directed to any staff member of SPD. Such action may disqualify respondent from further consideration for a contract as a result of this RFP.

### 1.7 PRE-PROPOSAL CONFERENCE

It is the decision of the State that no pre-proposal conference is required for this RFP.

### 1.8 MODIFICATION OR WITHDRAWAL OF OFFERS

Responses to this RFP may be modified or withdrawn in writing with notice sent to IDOA Procurement by mail, fax or e-mail received prior to the exact hour and date specified for receipt of proposals. The respondent's authorized representative may withdraw the proposal in person, providing his or her identity is made known and he or she signs a receipt for the proposal. Proposals may not be withdrawn after the proposal due date and time has passed.

Modification to or withdrawal of a proposal received by the Procurement Division after the exact hour and date specified for receipt of proposals will not be considered. If it becomes necessary to revise any part of this RFP or if additional data is necessary for an exact interpretation of provisions of this RFP prior to the due date for proposals, an addendum will be posted to the IDOA Procurement Division website. If such addenda issuance is necessary, IDOA reserves the right to extend the due date and time of proposals to accommodate such additional data requirements.



## 1.9 PRICING

IDOA requests the pricing associated with this RFP be a firm proposal price that must remain open and in effect for a period of not less than 180 days from the proposal due date. Respondents must complete and submit their price proposal using Attachment H, Pricing Worksheets. All administrative charges must be presented as a fixed price per claim to conclusion and must be for the duration of the original contract term. The proposal must identify all charges not included in the fixed price and method for billing these charges. See section 2.3.7 for further details on the price proposal.

SPD and IDOA recognize there are certain industry practices for service providers. However, the Departments encourage respondents, in their responses to the RFP, to be as creative as possible regarding cost to the State, as cost efficiency for the State will be a consideration in determining whether a contract(s) will be awarded based on responses to the RFP.

### 1.10 DISCUSSION FORMAT/BEST AND FINAL OFFERS

The State reserves the right to conduct discussions, either oral or written, with those respondents determined by the State to be reasonably viable to being selected for award. If discussions are held, the State may ultimately request best and final offers. IDOA Procurement will schedule all discussions. Any information gathered through oral discussions should be confirmed in writing.

The request for best and final offers may include:

- Notice that discussions are concluded.
- Notice that this is the opportunity to submit written best and final offers.
- Notice of the date and time for submission of the best and final offer.
- Notice that if any modification is submitted, it must be received by the date and time specified or it will not be considered.
- Notice of any changes in the State's requirements.

The State reserves the right to reject any or all proposals received or to award, without discussions or clarifications, a contract on the basis of initial proposals received. Therefore, each proposal should contain the respondent's best terms from a price and technical standpoint. The State reserves the right to reopen discussions after receipt of best and final offers if it is clearly in the State's best interest to do so and the Director of the Procurement Division or designee makes a written determination of that fact. If discussions are reopened, the State may issue an additional request for best and final offers from all respondents determined by the State to be reasonably susceptible to being selected for award.

Following evaluation of the best and final offers, the State may select for negotiations the offers that are most advantageous to the State, considering cost and the evaluation factors in the RFP.

The State also reserves the right to conduct clarifications to resolve minor issues. If only clarifications are sought, best and final offers may not be requested. The State retains sole authority to determine whether contact with respondents is for clarification or discussion.

#### 1.11 CONTRACT NEGOTIATIONS

After recommendation of a selected respondent by appropriate officials of the State, contract negotiations will commence. The contract will be based primarily on the required clauses of the State as indicated in the State contract as appears in Attachment B of this document; secondly, on those required clauses presented by the respondent that are acceptable to the State; and, additionally, on any desirable clauses that either party would like to incorporate into the contract. If at any time contract negotiation activities are judged to be ineffective by the Commissioner of IDOA or designee, IDOA will cause to cease, all activities with that respondent and begin contract negotiations with the next highest ranked respondent. This process may continue until either both the respondent and the State of Indiana execute a completed contract or IDOA determines that no acceptable alternative proposal exists.

#### 1.12 REFERENCE SITE VISITS

The State may request a site visit to a respondent's working support center to aid in the evaluation of the respondent's proposal.

#### 1.13 TYPE AND TERM OF CONTRACT

The State of Indiana intends to sign a contract with one or more respondent(s) to provide the complete set of products and services listed in this RFP. The State will not entertain joint bids.

The term of this contract shall be for a period of four (4) years, beginning July 1, 2005 (or from date of final State approval of contract), and ending June 30, 2009. There may be renewals for a total of four (4) more years at the State's option.

#### 1.14 CONTRACT OBLIGATIONS

Attachment B of this document is the form of the expected contract resulting from this RFP. Although the State anticipates that any respondent submitting a proposal will provide the major portion of the products and services as requested, subcontracting by the respondent is acceptable in performing the requirements of this RFP. However, the respondent must obtain the approval of IDOA before subcontracting any portion of the project's requirements and the subcontractor must have registered with the Indiana Secretary of State at least 45 days prior to the issuance date of this RFP if they are a regular corporation, Sub Chapter S Corporation, Limited Liability Corporation, Limited Partnership or Not for Profit Corporation. The respondent is responsible for the performance of any obligations that may result from this RFP and shall not be relieved by the non-performance of any subcontractor. Any respondent's proposal must identify all

subcontractors, indicate that the subcontractor was registered with the Indiana Secretary of State at least 45 days prior to the issuance date of this RFP and outline the contractual relationship between the respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal. This RFP is subject to the Minority Business and Women's Enterprise Program. The requirements are explained elsewhere in the RFP.

Any subcontracts entered into by the respondent must be in compliance with all State of Indiana statutes and be subject to the provisions thereof. For each portion of the proposed products and services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the respondent and any or all subcontractors will be considered in the State's evaluation. The respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the respondent must be made available upon request for inspection and examination by appropriate State officials and such relationships must meet with the approval of the State.

#### 1.15 CONFIDENTIAL INFORMATION

Respondents are advised that materials contained in proposals are subject to the Indiana Public Records Act, IC 5-14-3 *et seq.*, and, after the contract award, the entire RFP file may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Indiana Public Records Act must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the transmittal letter and on the outside of that envelope that confidential materials are included. The respondent must also specify which statutory exception provision applies. The State reserves the right to make determinations of confidentiality. If the State does not agree that the information designated is confidential under one of the disclosure exceptions to the Indiana Public Records Act, it may either reject the proposal or discuss its interpretation of the allowable exceptions with the respondent. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, the State will remove the proposal from consideration for award and return the proposal to the respondent. The State will not determine prices to be confidential information.

#### 1.16 STATE OF INDIANA OBLIGATIONS

The State of Indiana accepts no obligations for costs incurred by respondents in anticipation of being awarded a contract.

The State of Indiana creates no obligation, expressed or implied, by issuing this RFP or by receipt of any responses submitted pursuant hereto. The award of any contract(s) as a

result of this RFP shall be at the sole discretion of SPD and IDOA. Neither this RFP nor any response (proposal) submitted hereto are to be construed as a legal offer.

#### 1.17 CONTRACT COMPONENTS

Any or all portions of this RFP and normally any or all portions of the respondent's response will be incorporated by reference as part of the final contract. Proprietary or confidential material submitted properly (see Section 1.15) will not be disclosed.

#### 1.18 PROPOSAL LIFE

All proposals made in response to this RFP must remain open and in effect for a period of not less than 180 days after the due date for proposals. Any proposal accepted by the State for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by the State.

#### 1.19 TAXES

The State of Indiana is exempt from federal, state, and local taxes. The State will not be responsible for any taxes levied on the respondent as a result of the contract resulting from this RFP.

#### 1.20 SECRETARY OF STATE REGISTRATION

In accordance with IC 5-22-16-4, before a respondent can do business with the State, the respondent must be registered with the Indiana Secretary of State. In order to be considered responsible, an offeror that is a business required to register with the Secretary of State must have registered with the Secretary of State at least 45 days before the RFP issuance date. If a respondent does not have such registration at present, the respondent should contact:

Secretary of State of Indiana  
Corporation Division  
302 West Washington Street, E018  
Indianapolis, IN 46204  
(317) 232-6576

for the necessary application form, keeping in mind that the respondent will not be considered responsible for a current solicitation. It is each respondent's responsibility to assure that registration was at least 45 days prior to issuance of the RFP. Registration information will be verified prior to RFP recommendation.

#### 1.21 EQUAL OPPORTUNITY COMMITMENT

Pursuant to IC 4-13-16.5 and in accordance with 25 IAC 5-5-3, the Director of the Procurement Division of IDOA has determined that there is a reasonable expectation of

minority and woman business enterprise participation in this contract. Therefore a contract goal of 5% IDOA certified minority business enterprise participation and 5% IDOA certified woman business enterprise participation has been established and all respondents will be expected to comply with the regulation set forth in 25 IAC 5-5-3.

Compliance with these regulations will be taken in to consideration during the evaluation phase of the RFP process.

## 1.22 MINORITY & WOMEN'S BUSINESS ENTERPRISE PARTICIPATION PLAN

In accordance with 25 IAC 5 1-8, the respondent must submit within the proposal a Minority and Women's Business Enterprise participation plan. Failure to provide the minority and women's business participation plan at the time of proposal submission may result in the disqualification and rejection of the proposal. Please note that IDOA reserves the right to verify all information included on minority and women's business enterprise participation plans before making final determinations of the respondent's responsiveness.

Additionally, the plan must show that there are IDOA certified racial minority owned enterprises and IDOA certified women owned enterprises participating in the contract. The participation can be, but is not limited to, a subcontractor or second tier participation with common suppliers such as office supplies, courier services and/or janitorial services. The respondent submitting an offer must indicate the name of the IDOA certified racial and women owned firms that will participate in the award, a contact name and phone number, the service to be supplied and the specific dollar amount from this contract that will be directed toward each firm.

The respondent is expected to demonstrate a good faith effort to meet the participation goal of 5% for IDOA certified minority participation and 5% for IDOA certified women owned business participation. A good faith effort consists of documenting the effort that was made to achieve the goal. Respondents are encouraged to contact and work with the Minority Business and Women's Enterprise Division of the Indiana Department of Administration to design a plan to meet established goals. The Minority Business and Women's Enterprise Division's website address is as follows: [www.in.gov/idoa/minority](http://www.in.gov/idoa/minority) and contains a complete list of all IDOA certified MWBE's.

By submission of the proposal, the respondent thereby acknowledges and agrees to be bound by the regulatory processes involving the State of Indiana's Minority and Women's Business Enterprise Program. Questions involving the regulations governing the minority and women's business enterprise participation plan should be directed to:

Minority Business and Women's Enterprise Division  
Indiana Department of Administration  
402 W. Washington St., Room W469  
Indianapolis, IN 46204  
(317) 233-6607

### 1.23 U.S. MANUFACTURED

Each proposal must contain an explanation of what steps will be used to encourage the use of American-made products. The State does apply a U.S. Manufactured preference as set out in IC 5-22-15-21.

### 1.24 RECYCLED PRODUCTS

Each proposal should contain an explanation of what recycled materials are used and identify the recyclability of products offered in response to this RFP.

### 1.25 AMERICANS WITH DISABILITIES ACT

The respondent specifically agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.* and 47 U.S.C. 225).

### 1.26 SUMMARY OF MILESTONES

The following timeline is only an illustration of the RFP process. The dates associated with each step are not to be considered verbatim. Due to the unpredictable nature of the evaluation period, these dates are commonly subject to change. At the conclusion of the evaluation process all respondents will be informed of the evaluation team's findings.

<u>ACTIVITY</u>	<u>COMPLETION DATE</u>
Respondent inquiry period ends	January 31, 2005
Final State responses to inquiries	February 7, 2005
Proposal submission date	February 21, 2005
Proposal evaluation completed	March 14, 2005
Recommendation to IDOA	March 14, 2005
Notify selected respondent	March 21, 2005
Contract negotiations begin	March 23, 2005
Contract negotiations end	March 30, 2005
Contract signed by respondent	April 1, 2005
State review begins	April 1, 2005
State review ends	June 29, 2005
Receipt of State approval	June 30, 2005

## SECTION TWO PROPOSAL PREPARATION INSTRUCTIONS

### 2.1 GENERAL

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is documented in this section. All respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the respondent's proposal or the proposal may be rejected.
- The transmittal letter should be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below.
- The State may, at its option, allow all respondents a five-calendar-day period to correct errors or omissions to their proposals. Should this necessity arise, the State will contact each respondent affected. Each respondent must submit written corrections to the proposal within five calendar days of notification. The intent of this option is to allow proposals with only minor errors or omissions to be corrected. Major errors or omissions, such as the failure to include prices, will not be considered by the State as a minor error or omission and may result in disqualification of the proposal from further evaluation.

### 2.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics except those specifically identified as "optional."

#### 2.2.1 Summary of Ability and Desire to Supply the Required Products and Services

The transmittal letter must briefly summarize the respondent's ability to supply the requested products and services that meet the requirements defined in Section Three of this RFP. The letter must also contain a statement indicating the respondent's willingness to provide the requested products and services subject to the terms and conditions set forth in the RFP including, but not limited to, the State's mandatory contract clauses.

#### 2.2.2 Signature of Authorized Representative

A person authorized to commit the respondent to its representations and who can certify that the information offered in the proposal meets all general conditions including the information requested in Section 2.3.4, must sign the transmittal letter. **In the transmittal letter please indicate the principal contact for the proposal along with an address, telephone and fax number as well as an e-mail address if different than individual authorized for signature.**

### 2.2.3 Respondent Notification

Unless otherwise indicated in the Transmittal Letter, respondents will be notified via e-mail.

It is the respondent's obligation to notify the Procurement Division of any changes in any address that may have occurred since the origination of this solicitation. The Procurement Division will not be held responsible for incorrect vendor/contractor addresses.

### 2.2.4 Other Information

This item is optional. Any other information the respondent may wish to briefly summarize will be acceptable.

## 2.3 BUSINESS PROPOSAL

The Business Proposal must address the following topics except those specifically identified as "optional."

### 2.3.1 General (optional)

This section of the business proposal may be used to introduce or summarize any information the respondent deems relevant or important to the State's successful acquisition of the products and services requested in this RFP.

### 2.3.2 Respondent Company Structure

The legal form of the respondent's business organization, the state in which incorporated (if a corporation include a copy of incorporation certificate), the types of business ventures in which the organization is involved, and a chart of the organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products and services in the United States must be described in more detail than other components of the organization.

### 2.3.3 Company Financial Information

This section must include the respondent's financial statement, such as an income statement or balance sheet, for each of the two most recently completed fiscal years. The financial statements must demonstrate the respondent's financial stability. If the organization includes more than one product division, separate financial statements must be provided for the division responsible for the development and marketing of the



requested products and services.

#### 2.3.4 Integrity of Company Structure and Financial Reporting

This section must include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility, which are mandatory, include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the firm assures board integrity, the separation of audit functions and consulting services. The State of Indiana will consider the information offered in this section to determine the responsibility of the offeror per IC 5-22-16-1(d).

Federal law H.R. 3763, the “Sarbanes Oxley Act of 2002” is NOT directly applicable to this acquisition, however, its goals and objectives were used to develop our mandatory areas of interest.

#### 2.3.5 Facilities and Resources

The respondent should include information with regard to the organization’s resources that it deems advantageous to the successful provision of the requested products and services. This might include management capabilities and experience, technical resources, and operational resources not directly assigned to this project, but available if needed.

#### 2.3.6 Required Contract Clauses

Indiana law requires the inclusion of certain language in all contracts. Also, the nature of the products and services requested in this RFP may present a need for the inclusion of certain commitments in any contract resulting from this RFP. Attachment B of this document contains a sample contract that could be similar to the one resulting from this RFP. All clauses within the sample contract are mandatory.

Respondents should review these clauses in detail because a specific agreement to these clauses is required in the Transmittal Letter. If a respondent wishes to suggest alternative wording for one or more of these mandatory clauses without changing the intent, these suggestions may, at the respondent’s option, be documented in this section of the Business Proposal. The respondent’s suggested language will be considered by the State during the contract negotiation process. The State’s willingness to consider alternative language does not change the requirement that the respondent agree in the Transmittal Letter to the acceptance of the State

mandatory clauses as written.

### 2.3.7 Pricing

The State requests the pricing associated with this RFP be a firm proposal price that must remain open and in effect for a period of not less than 180 days from the proposal due date as well as any extensions agreed to in the course of contract negotiations. Respondents must complete and submit their price proposal using Attachment H, Pricing Worksheets.

#### 2.3.7.1 Worker's Compensation Pricing

All information related to costs, fees, commissions, hourly rates, and other charges must be provided. All administrative charges must be presented as a fixed price per claim to conclusion and must be for the duration of the original contract term.

The proposal must identify all charges not included in the fixed price and method for billing these charges.

An estimate, per claim, must be provided of all costs not included in the fixed price. Expenses not specifically excluded will be considered to be within the fixed price.

A separate one-time price must be provided for notice only claims, medical only claims, and lost time claims and any charges to move from one type of claim to another.

The price must be for all claims filed under the Worker's Compensation Plan including occupational disease, cumulative trauma, and stress/mental.

The one-time charges must encompass all costs of contract and claims administration including, but not limited to:

- 1) System start-up costs
- 2) Processing payments to employees and providers
- 3) Investigation, including on-site, for
  - a) Compensability
  - b) Fraudulent activity
  - c) Third-party subrogation
- 4) Activity checks
- 5) Return-to-work procedures and case management performed by the adjuster
- 6) Claim status reports (see Attachment F for historical data)
- 7) Lay representation at worker's compensation hearings
- 8) Loss reports (see Attachment G for information on current

Loss Data)

- 9) Storage of closed claim for a minimum of two years from the date of closure

The price must also include the preparation of and attendance at periodic claims reviews as well as any other necessary meetings between the respondent, its subcontractors, and the State of Indiana.

The fixed price per claim charge should exclude the following expenses:

- 1) Legal fees
- 2) Expert witnesses
- 3) Vocational/rehabilitation professionals
- 4) Case management professionals
- 5) Professional surveillance services
- 6) Independent Medical Exams
- 7) Utilization review
- 8) Medical bill review

Where the one-time charges also include these expenses, these should be separately identified and the costs of these services should be shown as separate one-time charges.

The charges for utilization review and medical bill review should be presented as a percentage of savings.

During contract administration, additional expenses must be estimated and approved before the service can be provided. Expenses not approved beforehand will not be paid.

#### 2.3.7.2 Disability Pricing

All information related to costs, fees, hourly rates, and other charges must be provided. Charges for most services must be presented as a fixed administrative service fee per “eligible employee” (as defined in Section 1.2) and must be for the duration of the original contract term.

The per employee administrative service fees must encompass all of the following services for the short term, long term, and partial disability claims including, but not limited to:

- 1) System start-up costs
- 2) Processing payments to recipients
- 3) Disability status investigation, including on-site for:
  - a) Compensability

- b) Fraudulent activity
- c) Third-party subrogation
- 4) Activity checks
- 5) Case management for return-to-work procedures and partial disability placement
- 6) Claim status reports
- 7) Loss reports
- 8) Lay representation at State Employees Appeals Commission and Grievance Hearings
- 9) Age and impairment limitation notice to recipients
- 10) Other income/employment reporting
- 11) Federal, state, and local tax collection and reporting
- 12) Federal wage and tax forms to recipients (W2s)
- 13) Assurance of Social Security Disability application and assistance in pursuit
- 14) Independent Medical Examination network
- 15) Verification of and offset of income received from other sources
- 16) Partial disability placements
- 17) Provider payment, when necessary, for independent examinations and services related thereto
- 18) Recommendation of claim reserve levels
- 19) Eligibility reporting and contribution payment to State sponsored benefit programs
- 20) Coordination of appropriate compensation for employees augmenting disability with accrued leave as well as return-to-work status
- 21) Ad hoc reporting

The administrative service fee must also include the preparation of and attendance at periodic claims reviews as well as any other necessary meetings between the respondent, its subcontractors and the State of Indiana.

The administrative service fees should exclude the usual allocated expenses including:

- 1) Legal fees
- 2) Expert witnesses
- 3) Vocational rehabilitation
- 4) Professional surveillance services
- 5) Independent Medical Exams
- 6) Functional Capacity Assessments

The proposal must list costs for these allocated expenses. The proposal also must list any other service and the cost for that service not mentioned above and billed as an allocated expense.

Any service not identified as an allocated expense will be considered as covered under the administrative service fee.

During contract administration, allocated expenses must be estimated and approved before the service can be provided. Allocated expenses not approved beforehand will not be paid.

#### 2.3.7.3 Worker's Compensation and Disability Pricing

A separate one-time charge must be provided (per the guidelines found in Sections 2.3.7.1 and 2.3.7.2) for those claims which would be covered by both the Worker's Compensation and Disability Plans. All coordination of services should be included in the fixed price.

#### 2.3.7.4 Training Pricing

The initial training expenses can be amortized over the life of the contract by including it in the per claim price quoted for lost time claims filed under the Worker's Compensation Plan.

All responses must be priced under the State's outlined pricing strategy. Respondents may also present alternative pricing strategies that they think are in the State's financial interest.

Respondents also may suggest services, not requested by the State, that they think will improve the quality of the Plans as well as expenses. An indication as to whether or not these services are included in the one-time charge should be provided.

#### 2.3.8 References

The respondent must include a list of at least three (3) clients for whom the respondent has provided products and services that are the same or similar to those products and services requested in this RFP. Any state government for whom the respondent has provided these products and services should be included; also to be included should be clients with locations near Indianapolis, as site visits may be arranged. Information provided should include the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information. The more similar the referenced products and services are to those requested in this RFP a greater weight may be attached to the references in the State's evaluation process.

#### 2.3.9 Registration to do Business

Selected respondents and any proposed subcontractors providing the

products and/or services required by this RFP must have been registered to do business within the state by the Indiana Secretary of State at least 45 days before the issuance of the RFP to be considered responsible. The contact information for this office may be found in Section 1.20 of this RFP. This process must have been concluded 45 days prior to the issuance of the RFP. It is the successful respondent's responsibility to complete the required registration with the Secretary of State and to be aware of any proposed subcontractors registration status. The respondent must indicate the status of registration, if applicable, in this section of the proposal.

#### 2.3.10 Authorizing Document

Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

#### 2.3.11 Subcontractors

The respondent must list any subcontractor's name, address and state of incorporation that are proposed to be used in providing the required products and services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, the subcontractor's form of organization, indication that the subcontractor was registered with the Indiana Secretary of State at least 45 days prior to the issuance date of this RFP (see Section 1.14 for forms of businesses required to register), if required, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the respondent of any responsibilities in responding to this RFP or in completing the commitments documented in the proposal. The respondent must indicate which, if any, subcontractors qualify as a Minority or Women Owned Business under IC 4-13-16.5-1. See Section 1.22 and Attachment A for Minority and Women Business information.

#### 2.3.12 Respondent Contract Requirements (Optional)

If the respondent wishes to include any language other than that discussed in the Business Proposal, this language should be included in this section. For each clause included in this section, the respondent should indicate that the clause is required by the respondent in any contract resulting from this RFP and why it is required (if the required clause is unacceptable to the State, the respondent's proposal may be considered unacceptable) or indicate that the clause is desired (but not required) by the respondent in any contract resulting from this RFP.

## 2.4 TECHNICAL PROPOSAL

The Technical Proposal must be divided into the sections as described below. Every point made in each section must be addressed in the order given. The same outline numbers must be used in the response. RFP language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. The referenced document must be included as an appendix to the technical proposal with referenced sections clearly marked. If there are multiple references or multiple documents, these must be listed and organized for ease of use by the State.

### 2.4.1 WORKER'S COMPENSATION TECHNICAL QUESTIONNAIRE

#### A.

1. What is your company's relationship with the preferred provider organization network you will be subcontracting with in response to this RFP?
2. Was this network established specifically for the utilization of employees who sustain occupational injuries and diseases?
3. Describe the process by which this network was established.
4. In the state of Indiana, what is the size of this network and the geographic locations it covers? Please provide a breakdown of the type of providers represented in the network and the total number of each type of provider. Also provide a breakdown of providers in the network by county (include hospitals and clinics). Are there any providers located outside of the state of Indiana but within 30 miles of Indiana's border? Identify those located within 30 miles of Indiana's border if applicable.
5. What criteria are used when contracting with providers for participation in the network, including the provider assessment process and ongoing provider review?
6. Provide a complete list of all providers within the PPO network and their specific qualifications and experience as it pertains to occupational injuries/diseases and worker's compensation. Also indicate the length of time each provider has participated in the network.
7. What is the provider turnover rate?
8. Are the providers within this network required to carry liability coverage? What are the minimum limits? Who must they notify if they change their coverage? How often and by what procedures is their coverage verified?
9. Has the network been sued? Please describe any case in which the network was found liable in the past two years.
10. Describe how the network guarantees and controls the confidentiality of

claim and participant information?

11. If the network does not cover all geographic locations needed by the State, what steps will be taken to expand the network?
12. How long has this network been operational in the state of Indiana?
13. How long has your company been working with this network in the state of Indiana?
14. Describe the separate roles of the PPO and your firm and how these responsibilities will integrate.
15. What will the State's role and responsibilities be as it pertains to the PPO network?
16. What procedures will take place to communicate with the agencies regarding which providers are available to their employees?
17. As the network changes and is expanded, how often and by what procedures will these changes be communicated to the agencies?
18. What capabilities and procedures does the network have in place to handle emergencies and injuries that occur at night or on the weekends?
19. Provide a list of the other third-party administrators, self-insured employers, and insurance carriers the network has contracted with over the last two years.
20. What are the financial incentives or discounts that have been negotiated with the providers within this network?
21. What trends has your company seen over the past three years pertaining to the cost of utilizing the network as well as the charges submitted by providers within the network? What negotiations/agreements have taken place as a result of these trends?
22. In the state of Indiana, what type of savings have your clients seen as a result of utilizing this network, beyond usual and customary charges?
23. What are the costs to your clients for utilizing this network?
24. What standards are used to evaluate the services provided to injured workers with respect to quality, access to care, and cost?
25. What mechanisms are established to ensure these standards are being met?
26. Describe the claim submission and benefit payment process and the responsibilities of the PPO network, the State, and your firm as it relates to these issues.
27. Would the PPO network be willing to make a representative available to meet with various agencies to explain the services available and the procedures for utilizing the network?



**B.**

28. Describe your company's procedures and criteria for utilization review.
29. What standards are used to evaluate the quality and effectiveness of this service?
30. What mechanisms have been established to ensure these standards are being met?
31. What kind of savings have your clients seen, over the last three years, when utilizing this service?

**C.**

32. Describe your company's procedures for medical bill review. How do these procedures differ when an employee is treated within the PPO network?
33. What procedures does your company have in place to coordinate medical bill review with the State's self-funded medical plan and HMOs to ensure that double payments are not being made?
34. What standards are used to evaluate the quality and effectiveness of this service?
35. What mechanisms have been established to ensure these standards are being met?
36. What kind of savings have your clients seen, over the last three years, when utilizing this service?
37. What reporting mechanisms does your company have which will allow us to determine the number of employees that are treated inside the PPO network and the number that are treated outside the network, as well as the costs associated with both?

**D.**

38. What criteria do you use in choosing legal representation for your clients? What firms are you presently using and what are their qualifications and experience as it pertains to worker's compensation?
39. What bill review practices do you currently have in place for charges received from an attorney or expert witness? What savings have your clients seen as a result of these practices?
40. Have you negotiated any discounted rates with the attorney firms you are presently using? Which ones? What savings have your clients seen as a result of these discounted rates?
41. In what percentage of claims administered by your company have employees engaged in legal representation?

- 42. In what percentage of claims administered by your company do you engage in legal representation?
- 43. What is the average legal cost for those claims requiring legal representation?

**E.**

- 44. What criteria do you use in choosing vocational/rehabilitation professionals for your clients? What firms are you presently using and what are their qualifications and experience as it pertains to worker's compensation?
- 45. What bill review practices do you currently have in place for charges received from vocational/rehabilitation professionals? What savings have your clients seen as a result of these practices?
- 46. Have you negotiated any discounted rates with the vocational/rehabilitation professionals you are currently using? Which ones? What savings have your clients seen as a result of these discounted rates?
- 47. What percentage of claims administered by your company have vocational/rehabilitation professionals assigned to them?
- 48. What is the average cost per claim for these services?
- 49. What decrease in days lost has your company seen when utilizing the services of a vocational/rehabilitation professional?

**F.**

- 50. What criteria do you use in choosing case management professionals for your clients? What firms are you presently using and what are their qualifications and experience as it pertains to worker's compensation?
- 51. What bill review practices do you currently have in place for charges received from case management professionals? What savings have your clients seen as a result of these practices?
- 52. Have you negotiated any discounted rates with the case management professionals you are currently using? Which ones? What savings have your clients seen as a result of these discounted rates?
- 53. What percentage of claims administered by your company have case management professionals assigned to them?
- 54. What is the average cost per claim for these services?
- 55. What decrease in days lost has your company seen when utilizing the services of a case management professional?

**G.**

56. What are your company's procedures for investigating and pursuing fraudulent claims?
57. Describe some of the successes your company has had over the past year with regards to pursuing fraudulent activities.
58. What are your company's procedures for investigating and pursuing third party/subrogation claims?
59. Describe some of the successes, including dollar amounts recovered, your company has had with regards to subrogation over the past year.

**H.**

60. Describe your company's mechanisms which will allocate, to each state agency, payments made specific to claims filed by that agency.
61. Describe your company's various loss reporting capabilities that are included in the initial claims administrative cost.

**I.**

62. What are the locations of the offices that would be servicing SPD's account?
63. What are the territorial responsibilities of these offices as it pertains to the state of Indiana?
64. How long have these offices been providing administrative services to self-insured employers in the state of Indiana?
65. How many accounts are these offices presently servicing, as it pertains to worker's compensation administration?

**J.**

66. What standards of timeliness and accuracy do you have in place when making medical bill and wage loss payments?
67. What mechanisms does your company have in place to ensure these standards are being met?
68. Please provide statistics pertaining to your company's timeliness of provider payments and wage loss payments.
69. How many late filings of First Reports has your company had over the last two years? How many of those were determined to be the fault of the client? What procedures does your company undertake to ensure that your clients are filing First Reports in a timely manner?

70. How many late first-pays, with regards to wage loss payments, has your company incurred over the past two years?

**K.**

71. Will one adjuster administer the same claim, from open to close?
72. Will you be establishing a dedicated unit to handle the State's account?
73. What resources are available and utilized by your adjusters to assist them in the administration of claims?
74. What form of on-going training and education is provided to your adjusters? What requirements are in place to ensure that your adjusters are receiving on-going training and education?
75. What training and/or education have the adjusters and vocational and rehabilitation professionals, who would be servicing SPD's account, received regarding the Americans with Disability Act of 1990?
76. What criteria are used when assessing your adjusters' performance?
77. What experience and/or training have the adjusters and vocational/rehabilitation professionals, who would be servicing SPD's account, received pertaining to Blood Borne Pathogens/HIV/Hep/etc.?
78. What experience and/or training have the adjusters and vocational/rehabilitation professionals, who would be servicing SPD's account, received pertaining to asbestos exposure?
79. What training have the adjusters and vocational/rehabilitation professionals, who would be servicing SPD's account, received pertaining to the Family Medical Leave Act?

**L.**

80. What procedures do you have in place to deal with catastrophe/severe injury situations and injuries that occur at night and on the weekends?
81. What are your procedures for creating, assigning, investigating, and reserving a claim upon initial receipt?
82. What procedures and standards does your company have in place to deal with communication with your clients, the injured employees, and the treating physicians, including claim status reports?
83. What mechanisms are in place to ensure that these standards are being met?
84. How will the adjuster assist the agency in obtaining restrictions and identifying modified duty to bring an injured employee back to work?
85. What return-to-work programs or procedures does your company offer?
86. What is your company's philosophy regarding reserving?

87. What are your company's criteria for on-site investigation?

**M.**

88. What actuarial services does your company have available to assist SPD in determining our future liability with regards to current claims?

89. Do you have the capability of providing the State Personnel Department on-line access? Please explain this service and the costs associated.

90. Does your company have a statewide toll-free number that could be used by State agencies and employees? What kind of phone tracking system does your company use to document calls received?

91. Does your company have the capability of electronic filing with the Worker's Compensation Board?

92. What file retention capabilities does your company have beyond a paper file system?

93. Who would be responsible for providing the various claim forms and posting materials to the State agencies if your company was chosen as SPD's TPA?

94. Does your company subscribe to an Index Bureau or provide a similar method of identifying other claims/injuries to the same individual under other insurance? Is this an additional cost?

**N.**

95. What are the procedures for the State Personnel Department to periodically audit claim files to evaluate the services provided to injured employees?

96. Do you provide Fidelity (Dishonesty) Bond coverage on any of your employees who would be working on the State's account? If so, which employees and in what amount?

97. What procedures does your company have in place that will prevent the misuse of the State's funds by your employees?

98. Will your company accept responsibility for errors resulting in overpayments by claim staff? If not, detail the process for recovery of overpayments.

99. Describe your company's internal audits and quality review on the claim process. Note the frequency of the review, percent of claims reviewed, criteria used in the review, definition of errors, standards used in the review, etc. Present the 12-month average performance on these reviews for adjusters that will work on the State of Indiana. Describe problems or errors found during these audits and steps taken to correct them.

100. Have you ever been sued as a result of your work as a TPA? Please

describe any cases in which you were found liable.

**O.**

101. What kind of ongoing education would your company be willing to provide to State employees?
102. Would your company be willing to develop and distribute a "Procedure Manual" to State agencies explaining the protocol for reporting claims, using the PPO network, etc. (cost of which to be included in the claim administration cost)?
103. Would your company be willing to provide periodic consulting services to be included in the initial claim administration cost, during the contract term?
104. Would your company be willing to provide to the agencies a quarterly newsletter?

**2.4.2 DISABILITY TECHNICAL QUESTIONNAIRE**

**A.**

1. Does your company have a contract with a physician network that specializes in vocational/rehabilitation and work fitness examinations that may be accessed for independent medical examinations?
2. Describe how this network differs from a general medical preferred provider network.
3. Does your company have a contract with a network that specializes in functional capacity assessments?
4. What is your company's relationship with this network(s)?
5. What is the size of this network(s)? Identify the geographic location of the providers utilized in the state of Indiana. Are any of the network providers located outside of the state of Indiana but within 30 miles of Indiana's borders? Identify those located within 30 miles of Indiana's borders if applicable.
6. How long has this network(s) been operational in the state of Indiana?
7. How long has your company been associated with this network(s)?
8. Identify financial incentives or discounts that have been negotiated with the providers within this network(s), including medical examiners, laboratories, and functional capacity assessment sites.
9. What is the cost to your clients for utilizing this network(s)?
10. What standards are used to evaluate the services provided to your clients by this network, including quality of examinations, access, and cost?

11. What mechanisms are established to ensure these standards are being met?
12. Identify the number of disability plans for whom this network(s) provides service.

**B.**

13. What criteria do you use in choosing legal representation for your clients for subrogation purposes? What firm(s) are you presently using? What are the firm(s) qualifications and experience as it pertains to disability?
14. Have you negotiated any discounted rates with the attorney firm(s) you are presently using? Which ones? What savings have your clients seen as a result of these discounted rates?
15. What is the average legal cost for those claims requiring legal representation?
16. Identify the criteria you use for choosing expert witnesses.
17. What is the average cost for expert witnesses?
18. What bill review practices do you currently have in place for those bills received from attorney or expert witnesses?

**C.**

19. What are your company's procedures for investigating and pursuing fraudulent claims?
20. Describe some of the successes your company has had over the past two years with regard to pursuing fraudulent activities. Provide statistics of the number of fraudulent claims identified compared to the number of claims received in 2003 and 2004.
21. What are your company's procedures for investigating and pursuing third-party/subrogation claims?
22. Describe some of the successes your company has had over the past two years with regard to subrogation lien recovery. Provide dollar amounts recovered.
23. Identify the percent of claims and percent of benefit dollars for which you obtained subrogation lien recovery for the following years:

	% of claims	% of benefit dollars
2003		
2004		

**D.**

24. Describe your company's various reporting capabilities that are included in

the initial claims administrative cost.

**E.**

25. What are the location(s) of the office(s) that will be servicing the State's account?
26. What are the territorial responsibilities of these office(s) as they pertain to the state of Indiana?
27. How long have these offices been providing administrative services to self-insured employers in the state of Indiana?
28. Describe your company's experience administering disability plans.
  - a) List your five largest accounts and number of years of plan administration for these accounts. Provide a contact name and number for each of these accounts.
  - b) Number of lives covered under disability for 2003 and 2004.
  - c) Number of self-funded disability clients in 2003 and 2004. List five largest self-funded accounts. Provide a contact name and number for each of these accounts.
  - d) Number of lives covered under self funded disability plans in 2003 and 2004.

**F.**

29. What standards of timeliness and accuracy do you have in place when making disability benefit payments?
30. What mechanisms does your company have in place to ensure these standards are being met?
31. Please provide statistics pertaining to your company's timeliness of disability benefit payments.

**G.**

32. Will the State of Indiana have a dedicated claim unit?
33. How many claim adjudicators will be assigned to the State of Indiana account?
34. Will adjudicators be responsible for claims from specific State agencies?
35. What are your company's staffing/claim ratios?
36. Will the same staff member adjudicate claims as they progress from short term into and through the full four years of long term?



37. What resources are available and utilized by your adjudicators to assist them in the administration of claims?
38. What training/education have your claim adjudicators received regarding the Americans with Disabilities Act of 1990?
39. What training have your adjudicators received pertaining to the Family Medical Leave Act?
40. What criteria are used when assessing your adjudicators' performance?
41. Describe your claim administration procedures. Provide a flow chart of the way in which a claim is processed from inception through the full four years of long-term disability. Be certain to address the following issues:
  - a) The way in which anticipated length of disability is determined. Be specific about resources utilized in this determination and variables considered.
  - b) The criteria you use in seeking medical information updates.
  - c) The criteria you use in requesting independent medical examinations.
  - d) The criteria you use in requesting functional capacity evaluations.
  - e) The method of identification of potentially litigious claim and special handling methods used for potentially litigious claims.
42. Describe your procedures for identifying recipients capable of returning to work in the following situations:
  - a) return to their regular duties
  - b) return to their regular duties with limitations
  - c) return to work performing duties other than their regular duties
43. Describe your procedures for handling the following disabling conditions:
  - a) cumulative trauma - specifically carpal tunnel syndrome
  - b) back strain
  - c) fibromyalgia
44. Describe the way in which the plan will communicate and document recipients understanding of the following items:
  - a) Reporting income from other sources and the seven-day time frame allowed to report other income.
  - b) Reporting employment entered into after the disability was incurred.
  - c) Dollar-for-dollar offset of income received from other sources.
  - d) Application for Social Security and diligent pursuit thereof.
  - e) Application for Public Employees Retirement Fund (PERF) benefits and diligent pursuit thereof.

- f) Change in definition of disability when a recipient enters the third year of long-term disability.
45. Describe in detail your support of recipients' pursuit of Social Security awards. In your description address the following issues:
    - a) The way in which you notify recipients of the requirement to pursue Social Security.
    - b) The manner in which you provide assistance in that pursuit.
    - c) The process by which you verify Social Security application and recipient pursuit of an award after an initial denial.
  46. Describe the way in which plan recipients can access information concerning their claim. In your description, address the following issues:
    - a) Direct telephone access, is it with the claim adjudicator, customer service representative or both? Are contacts documented?
    - b) What are your access guarantees?
    - c) What is your correspondence turn around time?
    - d) What are your turn-around time guarantees?

#### **H.**

47. Describe how your staff will assist coordination with the employee's agency when a recipient is released to return to full duties; return to work with restrictions for which reasonable accommodation may be made; or return to limited duty performing duties outside of the employee's regular duties.
48. Describe assurances your company will offer to prevent duplicate payment for on-the-job injuries entitled to worker's compensation.
49. Describe your company's ability and willingness to continue/discontinue elective deductions (employee contributions to the group medical plan, life insurance contributions, credit union deductions, etc.) from the claimant's benefit checks. Describe how these deductions will be reported and distributed to the appropriate vendors?
50. Describe your company's ability to deduct, report, and distribute court ordered garnishments and child support orders.

#### **I.**

51. What actuarial services does your company have available to assist SPD in determining future plan funding requirements?
52. Do you have the capability of providing the State Personnel Department on-line access? Please explain this service and the costs associated.
53. Does your company have a statewide toll-free number that could be used by

State agencies and employees? What kind of phone tracking system does your company use to document calls received?

54. What file retention capabilities does your company have beyond a paper file system?

**J.**

55. Will you allow the State Personnel Department (or its designee) to periodically audit your claim files to evaluate the services you are providing and accuracy of salary replacements being paid?
56. Will you allow the State Board of Accounts to periodically audit your claim files to evaluate the services you are providing and accuracy of salary replacements being paid?
57. Do you provide Fidelity (Dishonesty) Bond coverage on any of your employees who would be working on the State's account? If so, which employees and in what amount?
58. What procedures does your company have in place that will prevent the misuse of the State's funds by your employees?
59. Will your company accept responsibility for errors resulting in overpayments by claim staff? If not, detail the process for recovery of overpayments.
60. Describe your company's internal audits and quality review on the claim process. Note the frequency of the review, percent of claims reviewed, criteria used in the review, definition of errors, standards used in the review, etc. Present the 12-month average performance on these reviews for adjusters that will work on the State of Indiana account. Describe problems or errors found during these audits and steps taken to correct them.
61. Have you ever been sued as a result of your work as a TPA? Please describe any cases in which you were found liable.

**K.**

62. What kind of ongoing education would your company be willing to provide to State employees?
63. Would your company be willing to develop and distribute a "Procedure Manual" to State agencies explaining the protocol for reporting claims, etc. (cost of which to be included in the claim administration cost)?
64. Would your company be willing to provide periodic consulting services to be included in the initial claim administration cost, during the contract term?

## 2.5 MINORITY & WOMEN'S BUSINESS ENTERPRISES PARTICIPATION PLAN

A properly completed and signed MWBE Participation Plan (Attachment A) must be included as part of the proposal. Respondents must indicate the name of the IDOA certified racial minority and IDOA certified woman owned firm(s) with which it will work; the contact name and phone number at the firm(s); the service supplied by the firm(s); and the specific dollar amount from this contract that will be directed toward each firm. If the above mentioned goals (1.21) can not be achieved by directing proceeds from this contract toward IDOA certified racial minority and IDOA certified woman owned enterprises, the respondent may demonstrate that an amount, equal to each of the above goals, of the firms overall annual proceeds (from all business) are directed to IDOA certified racial minority and/or woman owned enterprises. Please note: Respondents' claims for participation will be validated prior to contract award.

## 2.6 INDIANA ECONOMIC IMPACT

All companies desiring to do business with state agencies must complete an "Indiana Economic Impact" form (Attachment C). The form asks for, among other information:

- a. The amount of the contract that is being allocated for payroll and benefits to Indiana residents
- b. The amount that is being awarded to Indiana subcontractors and suppliers
- c. The amount that is being subcontracted to Indiana certified minority and women owned businesses

The collection and recognition of the information collected with the Indiana Economic Impact form places a strong emphasis on the economic impact a project will have on Indiana and its residents regardless of where a business is located. The collection of this information does not restrict any company or firm from doing business with the state.

## **SECTION THREE PROPOSAL EVALUATION**

### **3.1 PROPOSAL EVALUATION PROCEDURE**

The State of Indiana has selected a group of personnel to act as a proposal evaluation team. Subgroups of this team, consisting of one or more team members, will be responsible for evaluating proposals with regard to compliance with RFP requirements. All evaluation personnel will use the evaluation criteria stated in Section 3.2.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 3.1.1 Each proposal will be evaluated for form on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements will normally be eliminated from consideration. Respondents should note that agreement to the State's mandatory contract clauses is required in the Transmittal Letter and will be evaluated for such under the form category.
- 3.1.2 Each proposal will be evaluated on the basis of the categories included in Section 3.2. A point/percentage score will be established for each category.
- 3.1.3 If technical proposals are close to equal, greater weight could be given to price.
- 3.1.4 Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, taking into account all of the evaluation factors, may be selected by IDOA and SPD for further action, such as contract negotiations. If, however, IDOA and SPD decide that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the respondent, IDOA may begin contract preparation with the next qualified respondent or determine that no such alternate proposal exists.

### **3.2 EVALUATION CRITERIA**

Proposals will be evaluated based upon the proven ability of the respondent to satisfy the requirements of the RFP in a cost-effective manner. Each of the evaluation criteria categories is described below with a brief explanation of the basis for evaluation in that category. The percentage of the total point score associated with each category is indicated following the category name (total maximum points = 100).

3.2.1 Adherence to Requirements (10 points)

3.2.2 Overall Management Judgment (30 points)

3.2.3 Indiana Economic Impact (20 points)

See Section 2.6 for additional information.

(The amount of the project being allocated for gross payroll and related fringe benefits for employees that live in Indiana + the amount allocated for subcontractors and suppliers located in Indiana + the amount allocated for State of Indiana certified minority and/or women owned businesses located in Indiana) divided by (the total amount of the proposal) = percentage of proposal's impact on the Indiana economy.

The percentage impact on the Indiana economy will be multiplied by the points allocated for Indiana Economic Impact (Section 3.2) and the resulting number will be the points awarded for Indiana Economic Impact.

3.2.4 Price (20 points)

3.2.5 Minority (10 points) & Women's Business (10 points) Participation Plan (20 points)

Points for each element will be awarded by the corresponding participation indicated in the response in relation to the required amount set out in the Request for Proposal.

Points will be calculated and awarded as follows: The percentage of IDOA certified Minority and/or Women's participation will be multiplied against the total amount of the respondent's proposal. This represents the maximum or numerator. This number will be divided by the amount actually proposed for IDOA certified Minority and/or Women's participation. The resulting percentage will be multiplied against the total points allowed, currently 10 points for each category. The result will be the points scored for that response.

## PROPOSAL CERTIFICATION

Responses to this solicitation serve as a warrant that the responding entity has properly registered as required by law with the Secretary of State and that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State of Indiana, and it agrees that it will immediately notify the State of any such actions. The respondent also certifies that neither it nor its principals are presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State of Indiana. Any respondent agrees that the State may confirm, at any time, that no such liabilities exist, and, if such liabilities are discovered, that State may bar the respondent

from contracting with the State, cancel existing contracts, withhold payments to offset such obligations, and withhold further payments or purchases until the entity is current in its payments on its liability to the State and has submitted proof of such payment to the State.

All proposals will be reviewed by members of SPD and IDOA. References may be contacted. It is possible that persons participating in the selection process, through IDOA, will interview finalists. The Commissioner of IDOA or his designee will, in the exercise of his sole discretion, determine which proposals offer the best means of servicing the interests of the State. The exercise of this discretion will be final.